

# **FISCAL NOTE**

## **SB 106 - HB 201**

February 6, 1997

**SUMMARY OF BILL:** Authorizes municipal governments to create acquisition corporations to purchase and resell electrical energy, the same as municipal gas systems buy and resell gas under current law. The acquisition corporation would be authorized to own and operate electrical power production, generation, distribution and transmission facilities located within or outside of Tennessee. In addition, the corporation would be allowed to sell to any consumer or distributor inside or outside Tennessee. The bill is permissive.

### **ESTIMATED FISCAL IMPACT:**

**Increase Local Govt. Revenues - Exceeds \$100,000 Over Time / Permissive**

**Increase Local Govt. Expenditures - Exceeds \$100,000 Over Time / Permissive**

This bill would allow municipalities to prepurchase electricity, locking in prices and supplies and to resell electrical energy as needed. This bill would also provide municipalities a means of issuing bonds through the acquisition corporation to obtain capital for such projects.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director